

Department of Social and Health Services

**DP Code/Title: M2-9S Equipment Replacement Costs**

**Agency Wide**

There are 5 Programs in this DP

Budget Period: 2003-05 Version: 11 2003-05 Agency Request Budget

**Recommendation Summary Text:**

**Program(s): 020 030 040 080 110**

This proposal is to fund the replacement of essential equipment that is nearing the end of its useful life or is obsolete. Requested equipment items are critical to ensure the health, safety, and security of clients, and staff productivity.

**Fiscal Detail:**

**Operating Expenditures**

	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Overall Funding</b>			
001-1 General Fund - Basic Account-State	5,114,000	4,988,000	10,102,000
001-2 General Fund - Basic Account-Federal	21,000	21,000	42,000
001-7 General Fund - Basic Account-Private/Local	554,000	554,000	1,108,000
001-A General Fund - Basic Account-DSHS Fam Support/Chi	40,000	40,000	80,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	1,238,000	1,112,000	2,350,000
<b>Total Cost</b>	<b>6,967,000</b>	<b>6,715,000</b>	<b>13,682,000</b>

**Staffing**

**Package Description:**

**Program(s): 020**

This proposal is to fund the replacement of necessary equipment that is nearing the end of its useful life or is obsolete. Requested equipment items are critical to ensure the health, safety, and security of clients, and staff productivity.

**Program(s): 030**

This proposal is to fund the replacement of necessary equipment that is nearing the end of its useful life or is obsolete. Requested equipment items are critical to ensure the health, safety, and security of clients, and staff productivity.

In addition to equipment identified as past its useful life by the attached equipment list, the Mental Health Division must also replace pharmacy dispensing machines at the state hospitals and Child Study and Treatment Center. Based on the findings and recommendations of a 2001 State Auditor report, the need to meet patient safety standards implemented by the Joint Commission for Accreditation of Healthcare Organizations (JCAHO) in June 2001, detailed billing information that will be required by the Health Insurance Portability and Accountability Act (HIPAA), and a June 2002 directive of the Washington State Board of Pharmacy, current medication dispensing systems must be replaced.

**Program(s): 040**

This proposal is to fund the replacement of necessary equipment that is nearing the end of its useful life or is obsolete. Requested equipment items are critical to ensure the health, safety, and security of clients, and staff productivity.

This item recognizes the Current Level Equipment Allocation is insufficient to meet the program and technological needs of the division.

The division is proposing to develop a systematic process for replacing information technology needs on a regular basis. Approximately one-quarter of all computers and other hardware would be replaced every four years. This replacement cycle would enable the division to maintain staff efficiencies.

In addition, the division is proposing to begin the process of replacing obsolete equipment in the Residential Habilitation Centers and regional offices. The inventory database tracks all equipment and determines those items beyond their useful life as defined by the Office of Financial Management guidelines.

**Program(s): 080**

This proposal is to fund the replacement of necessary equipment that is nearing the end of its useful life or is obsolete. Requested equipment items are critical to ensure the health, safety, and security of clients, and staff productivity.

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**Program(s): 110**

This proposal is to fund the replacement of necessary equipment that is nearing the end of its useful life or is obsolete. Requested equipment items are critical to ensure the health, safety, and security of clients, and staff productivity.

The DSHS Mailroom Insert Section is currently operating with three pieces of inserting equipment that are nearing the end of their expected life cycle. These machines mechanically assemble and meter nearly two million critical out-going mail pieces monthly. Aging equipment is significantly increasing the risk of failing to meet critical ACES and SSPS mailing deadlines. Over the past year, there has been a marked increase in the number of equipment breakdowns. A breakdown occurring at a critical time in the month, such as ACES monthly issuance or advance notice deadline, could result in important documents not being mailed on time.

The risk is particularly exacerbated by the implementation of ACES letters enhancement in November 2001, which increased the number of letter pages mailed monthly from approximately 1,000,000 in October 2001 to 1,600,000 in March 2002. Letters weighing over two ounces are stopping the equipment an average of 1,000 times each regular mailing day, and 1,500 to 2,500 times on high volume days, such as the eligibility review and monthly deadline runs. In addition, the increase in the number of pages per mailing bundle is taxing folding components of equipment already worn with years of heavy use. The implementation of state payment of Supplemental Security Payment (SSP) in September of 2002 will add to mailing volumes. The risk of a major breakdown of equipment is increasing each month.

The Administrative Services Division (ASD) has determined that the best strategy is to acquire new inserting equipment.

Total acquisition cost (includes three inserter machines and associated software): \$2,550,880

**Narrative Justification and Impact Statement**

*How contributes to strategic plan:*

**Program(s): 020 030 040 080 110**

This budget request facilitates the division's goal of optimizing services within resources and is intended to improve accountability and public stewardship.

***Performance Measure Detail***

**Goal: 01Z DSHS Accounts for Its Use of Public Dollars**

No measures submitted for package

**Incremental Changes**

**FY 1**

**FY 2**

**Program: 020**

**Goal: 07B Improve JRA's Business Processes**

No measures submitted for package

**Incremental Changes**

**FY 1**

**FY 2**

**Goal: 08B Build stronger continuum of care for juveniles & families with the justice system**

No measures submitted for package

**Incremental Changes**

**FY 1**

**FY 2**

**Goal: 10B Enhance Human Resource Development**

No measures submitted for package

**Incremental Changes**

**FY 1**

**FY 2**

**Goal: 11B Improve Program Accountability**

No measures submitted for package

**Incremental Changes**

**FY 1**

**FY 2**

**Program: 030**

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**Goal: 11C Ensure infrastructure of state hospitals provides a safe and secure environment**

No measures submitted for package

Incremental Changes

**FY 1**

**FY 2**

**Program: 040**

**Goal: 06D Effectively/efficiently use resources to accomplish values/principals/ mission**

No measures submitted for package

Incremental Changes

**FY 1**

**FY 2**

**Program: 110**

**Goal: 08K Continue to creatively improve business processes**

No measures submitted for package

Incremental Changes

**FY 1**

**FY 2**

***Reason for change:***

**Program(s): 020 030 040 080 110**

Equipment requested will replace obsolete and worn equipment that is often not repairable. Funding this proposal ensures the long-term health, safety, and security of clients as well as the increased productivity of staff.

***Impact on clients and services:***

**Program(s): 020 030 040 080 110**

Reliable and up-to-date equipment is critical in maintaining staff efficiency and meeting anticipated budget challenges in the ensuing biennium.

***Impact on other state programs:***

**Program(s): 020 030 040 080 110**

None

***Relationship to capital budget:***

**Program(s): 020 030 040 080 110**

None

***Required changes to existing RCW, WAC, contract, or plan:***

**Program(s): 020 030 040 080 110**

None

***Alternatives explored by agency:***

**Program(s): 020 030 040 080 110**

Administrative staff needs the tools to help them maintain current and anticipated workloads in an environment where health, safety, and security needs are met. Working with obsolete or worn equipment is not a cost effective means to distribute services to the diverse clientele within the agencies.

***Budget impacts in future biennia:***

**Program(s): 020 030 040 080 110**

This funding would carry forward into the 2005-07 Biennium at the second year level (Fiscal Year 2005).

***Distinction between one-time and ongoing costs:***

**Program(s): 020 030 040 080 110**

Purchases are one-time expenses for replacement of obsolete/worn-out equipment used to carry out routine and required duties.

***Effects of non-funding:***

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Program(s): 020 030 040 080 110

Non-funding of this proposal may negatively impact the health, safety, and security of clients as well as the productivity of staff.

*Expenditure Calculations and Assumptions:*

Program(s): 020

See attachment - JRA M2-9S Replacement Equipment Costs.xls

Program(s): 030

See attachments - MHD M2-9S Replacement Equipment Costs (1).xls and MHD M2-9S Replacement Equipment Costs (2).doc

Program(s): 040

See attachment - DDD M2-9S Replacement Equipment Costs.xls

Program(s): 080

See attachment - MAA M2-9S Replacement Equipment Costs.xls

Program(s): 110

Fiscal Year 2004

General Fund State: \$403,000  
General Fund Federal: \$173,000  
Total: \$576,000

Fiscal Year 2005

General Fund State: \$403,000  
General Fund Federal: \$173,000  
Total: \$576,000

Biennial Total: \$1,152,000

**Object Detail**

**Overall Funding**

	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
E Goods And Services	3,208,000	2,956,000	6,164,000
J Capital Outlays	3,183,000	3,183,000	6,366,000
P Debt Service	576,000	576,000	1,152,000

<b>Total Objects</b>	<b>6,967,000</b>	<b>6,715,000</b>	<b>13,682,000</b>
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**DSHS Source Code Detail**

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Fund 001-1, General Fund - Basic Account-State</b>				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	5,114,000	4,988,000	10,102,000
<i>Total for Fund 001-1</i>		<b>5,114,000</b>	<b>4,988,000</b>	<b>10,102,000</b>
<b>Fund 001-2, General Fund - Basic Account-Federal</b>				
<u>Sources</u>	<u>Title</u>			
001B	Social Security Disability Ins (100%)	9,000	9,000	18,000
E61L	Food Stamp Program (50%)	12,000	12,000	24,000
<i>Total for Fund 001-2</i>		<b>21,000</b>	<b>21,000</b>	<b>42,000</b>
<b>Fund 001-7, General Fund - Basic Account-Private/Local</b>				
<u>Sources</u>	<u>Title</u>			
5417	Contributions & Grants	554,000	554,000	1,108,000
<i>Total for Fund 001-7</i>		<b>554,000</b>	<b>554,000</b>	<b>1,108,000</b>
<b>Fund 001-A, General Fund - Basic Account-DSHS Fam Support/Chi</b>				
<u>Sources</u>	<u>Title</u>			
563I	Title IV-D Child Support Enforcement (A) (66%)	29,000	29,000	58,000
658L	Title IV-E-Foster Care (50%)	10,000	10,000	20,000
659L	Title IV-E Adoption Assistance (50%)	1,000	1,000	2,000
<i>Total for Fund 001-A</i>		<b>40,000</b>	<b>40,000</b>	<b>80,000</b>
<b>Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa</b>				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	802,000	801,000	1,603,000
19UL	Title XIX Admin (50%)	436,000	311,000	747,000
<i>Total for Fund 001-C</i>		<b>1,238,000</b>	<b>1,112,000</b>	<b>2,350,000</b>
<b>Total Overall Funding</b>		<b>6,967,000</b>	<b>6,715,000</b>	<b>13,682,000</b>

**Funding Totals by Program**

Dollars in Thousands

<u>Program</u>	<u>FTE's</u>		<u>GF-State</u>		<u>Total Funds</u>	
	<u>FY 1</u>	<u>FY 2</u>	<u>FY 1</u>	<u>FY 2</u>	<u>FY 1</u>	<u>FY 2</u>
020 Juvenile Rehabilitatn Admin	0.0	0.0	860	860	860	860
030 Mental Health	0.0	0.0	3,251	3,250	4,443	4,441
040 Div of Developmntl Disab	0.0	0.0	472	472	832	832
080 Medical Assistance	0.0	0.0	128	3	256	6
110 Admin & Supporting Svcs	0.0	0.0	403	403	576	576
<b>Grand Total:</b>	<b>0.0</b>	<b>0.0</b>	<b>5,114</b>	<b>4,988</b>	<b>6,967</b>	<b>6,715</b>